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ECONOMIC INTELLIGENCE COMMITTEE

Control No. 492039  
EIC-M-83  
24 September 1959

Minutes of Meeting Held in  
Room 1121, Temporary M Building  
26th and Constitution Avenue, N. W.

1000 hours, 24 September 1959

PRESENT:

25X1A9a Dr. Otto E. Guthe, Chairman  
[REDACTED], Vice Chairman  
Mr. Howard Bliss, Department of the Navy  
Mr. John W. Easton, Joint Staff  
Mr. Kingsley W. Hamilton, Department of the Air Force  
Mr. J. Duncan Holmes, Department of the Army  
Dr. Norris G. Kenny, Office of the Secretary of Defense  
Commander Thomas W. Walsh, Department of the Navy  
25X9A8 Mrs. Doris S. Whitnack, Department of State  
\* [REDACTED] National Security Agency  
Dr. Theodore Babbitt, Office of Civil and Defense Mobilization  
Mr. Robert E. Simpson, Department of Commerce  
Mr. George White, Department of Commerce  
25X1A9a \* [REDACTED] CIA  
25X1A9a \* [REDACTED] CIA  
25X1A9a [REDACTED] CIA  
25X1A9a \* [REDACTED] CIA  
25X1A9a [REDACTED] CIA  
25X1A9a [REDACTED] EIC/S  
25X1A9a [REDACTED] Executive Secretary, EIC/S

APPROVAL OF MINUTES:

1. The Minutes of the EIC meeting of 13 August 1959 (EIC-M-82) were approved.

\* Present during part of meeting.

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ANNOUNCEMENTS:

2. The Chairman introduced [REDACTED] as the newly appointed EIC Executive Secretary, vice [REDACTED] Jr., who has assumed other duties.

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3. The Chairman, on behalf of the EIC, expressed his deep appreciation to [REDACTED] for the manner in which he had conducted the activities of the Secretariat. He stated that [REDACTED] had been extremely effective in furnishing guidance to the Subcommittees and in administering the duties of the Main EIC. His leadership in carrying out the EIC's interests in emergency planning was also mentioned. The State Department member, Mrs. Whitnack, stated that she wished to add her vote of thanks for the many ways in which [REDACTED] had helped the Working Group on Sino-Soviet Economic Activities in Underdeveloped Areas to improve its reports.

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4. The Chairman announced that the Department of the Army had designated Mr. Baxter Wood as their representative to the EIC, vice Colonel Howard P. Persons.

5. The Chairman announced that he had been unofficially informed that the Department of Agriculture had appointed Mr. Gustave Burmeister as the Main Member of the EIC, vice Dr. Max Myers, and that Dr. Wilhelm Anderson would serve as the alternate member to the EIC, vice Mr. Burmeister. [We have since received formal notification to this effect.]

REVIEW OF EIC SUBCOMMITTEE ACTIVITIES: (EIC-D-392)

6. The Chairman spoke briefly on subcommittee reviews. He stated that the discussions should be kept informal and brief and that the major purpose was to exchange information and to answer queries which might be raised by the representatives of the subcommittees or by the EIC members. It is planned that the work of three subcommittees will be discussed at each forthcoming EIC meeting until all have been completed.

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REVIEW OF EIC SUBCOMMITTEE ON PETROLEUM:

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7. Discussion: [REDACTED] Executive Secretary of the Petroleum Subcommittee, reported that the Subcommittee meets on a bimonthly basis and functions actively in its role of reviewing, coordinating, and furthering economic intelligence research in the field of petroleum. It also provides a valuable medium for the exchange of ideas and information of mutual interest to the members of the intelligence community. The activities of the Subcommittee for Fiscal Year 1959 have included: support to the USIB Committee on Exchanges in petroleum and liquified natural gas; preparation of surveys of priority research deficiencies, preparation of surveys of priority collection deficiencies, review of research projects, production of coordinated intelligence reports (Sino-Soviet Bloc Military Consumption of Petroleum Products) and production of agreed basic statistics for 1958. These activities will be continued in the next fiscal year, and it is anticipated that the program of review of substantive papers will be given broader coverage for Fiscal Year 1960, particularly with respect to China.

8. Action: The Chairman noted that the Petroleum Subcommittee is one of the more active within the EIC. The State Department member of the EIC, Mrs. Whitnack, stated that in surveying the users in the Department of State, she had found that the work of the Petroleum Subcommittee was considered the most valuable of any of the subcommittees and that she had been asked to compliment the Subcommittee for its work.

REVIEW OF EIC SUBCOMMITTEE ON ELECTRIC POWER & SOLID FUELS:

9. Discussion: The Chairman of the Subcommittee on Electric Power and Solid Fuels, [REDACTED] spoke briefly on the 25X1A9a activities of that Subcommittee. He noted that the consensus of the members was that frequent meetings would not serve a useful purpose, but that they would meet twice a year, perhaps in January and later in the spring, to discuss the annual report. Although the Subcommittee, itself, had not been called upon to give assistance to the USIB Committee on Exchanges, the Executive Secretary of the Subcommittee

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had been very active in this respect. [REDACTED] said that his Subcommittee was chiefly interested in shifting fuel balances which cut across the areas of interest of two other subcommittees. He was in doubt as to the proper marking of the jurisdictional lines.

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10. Action: The State Department member inquired as to whether this Subcommittee and the Petroleum Subcommittee could be combined into a single subcommittee on energy. It was pointed out, however, that the interests and competencies of the membership of the two subcommittees are probably too divergent. It was agreed by the members that there was an advantage in having the subcommittee mechanism available in case critical questions came up in this field and the ability to call upon people within the community would be an advantage. Even though there is no actual work on hand, they should meet occasionally to exchange information.

REVIEW OF EIC SUBCOMMITTEE ON CHEMICALS:

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11. Discussion: The Chemicals Subcommittee Executive Secretary, [REDACTED] reported that his Subcommittee had not been very active during the past year, having met but three times, but that they expected to hold more meetings in the coming year. He pointed out that there had been an increased interest in the technical exchanges and they are providing support to the USIB Committee on Exchanges. Other plans for this year include revision of statements of priority research deficiencies and priority collection deficiencies. [REDACTED] stated that the basic reason for their not issuing the Statements of Collection Deficiencies was because they were unsure as to the purpose they served, and he asked the Chairman for some enlightenment.

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The Chairman stated that the ORR/GIs have been considered as a framework for subcommittee consideration and that most of the collection deficiency statements are geared to this kind of presentation. These statements, in some cases, are sent to the field as submitted. Some collection components at Headquarters add their own instructions and transmit only selected parts of these statements as requirements to their field people. He pointed out that the subcommittee collection deficiencies statements reflect the interests of all participants and each agency could initiate its own type of requirement for collection on the basis of these deficiency statements.

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██████████ said that on the basis of the discussion, the Subcommittee would proceed with getting the statement out this year. The Executive Secretary of the Subcommittee said that ATIC had indicated that it might wish to be represented on the Subcommittee.

12. Action: The Chairman said that within this Subcommittee's area of responsibility were some very important intelligence targets and that the subcommittee mechanism should be used to maximize interagency coordination in these areas of interest.

STATUS OF EIC-RI7: (COMMUNICATIONS VULNERABILITY STUDY)

13. Discussion: The Chairman noted that, pursuant to Intelligence Board direction, a study of communications vulnerability was undertaken by the SIC in collaboration with the EIC. The EIC contribution was to be essentially a survey of Bloc radio transmitters. The Chairman called on the Chairman of the Ad Hoc Working Group, ██████████ to brief the EIC as to the current status of the study. ██████████ stated that the EIC Working Group paper was delivered to the SIC Working Group on 4 September.

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14. Action: It was agreed that, when the SIC Working Group incorporates the work of the EIC into a draft report, the EIC will have the opportunity to review the draft. Any comments will then be submitted to the SIC for consideration in its preparation of the report for submittal to the USIB.

REPORT ON OPAL 1959 (EIC-D-396, and attachment):

15. The Chairman asked ██████████ to report on Operation Alert 1959, which was held in August. ██████████ reported that in most cases the responses from the agencies, both mock and real, were prompt in coming through. This was a vast improvement over the previous year. ██████████ pointed out that changes in format and procedure in obtaining an inventory of personnel at relocation sites would result in a more efficient completion and dissemination of the Inventory. [For a complete report on the Exercise, refer to the attachment to EIC-D-396, dated 2 September 1959.]

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EMERGENCY PLANNING (USIB-D-7.1/6):

25X1A9a 16. Discussion: As a result of USIB direction, the EIC is obligated to submit a report with respect to the EIC's emergency planning. The Vice Chairman recalled the work that the EIC had done previously. He mentioned further that the USIB had subsequently concurred in a guidance check list to the various Committees of the USIB. An interagency steering group, under the guidance of [REDACTED] has been established to keep the intelligence community and individual agency planning closely coordinated. This group will offer further guidance to interested subcommittees in the near future.

17. Action: It was agreed to reactivate the EIC Ad Hoc Working Group on Emergency Planning with the understanding that it should initially address itself to: (1) Identification of those intelligence activities within the purview of the EIC that would be essential under the assumed emergency conditions (taking into consideration each agency's individual plan); (2) a study of pertinent aspects of present relocation and civil defense planning of the Government; and (3) the development of a more workable plan for providing an inventory of skills in an actual emergency. In response to inquiries from those attending the meeting, it was agreed to increase participation in the Working Group.

[REDACTED]  
Executive Secretary

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SECRETARY'S NOTES:

1. The EIC approved the Minutes of the 30 July meeting (EIC-M-81), by interim action on 31 August 1959.

2. On 15 September 1959, the EIC approved by interim action the release of data on non-USIB agencies on the EIC Subcommittees to USIB Emergency Planning Steering Committee.

3. Future EIC meetings will be scheduled for 1000 hours on Wednesday mornings insofar as possible. This change is an attempt to avoid conflicting meeting schedules with some of the members.

4. Changes in Membership since issuance of 30 July Minutes

Please make the following additions and corrections to the EIC Director of Personnel (EIC-D-322/1, dated June 1959):

<u>Page</u>	<u>Agency</u>	<u>Change</u>
3	Army	Delete: Colonel Howard P. Persons, Jr. Indicate that Colonel Persons has been replaced by Baxter Wood (address correct as shown)
3	Air Force	Change Mr. Hamilton's telephone extension to 421
3	Joint Staff	List extension 74683 as an additional number for Mr. Easton
4	NSA	List as follows: 25X9A8 [REDACTED] Code 188 x 7761 National Security Agency Fort Meade, Maryland 25X9A8 [REDACTED] Code 188 x 7857 National Security Agency Fort Meade, Maryland
4	Agriculture	Delete Dr. Max Myers and add: Mr. Gustave Burmeister Code 111 Assistant Administrator x 2705 Foreign Agricultural Service Department of Agriculture Room 5070, South Building

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## Membership Changes (contd)

<u>Page</u>	<u>Agency</u>	<u>Change</u>	
5	Agriculture	Delete Gustave Burmeister; add: Dr. Wilhelm Anderson (Alternate) Director, Foreign Agricultural Analysis Division Foreign Agricultural Service Department of Agriculture Room 4503, South Building Code III, extension 4730	
12	CIA	Add: [REDACTED] OSI/FSD Central Intelligence Agency Room 2705 Barton Hall Code 163, extension 2497	25X1A9a
13	State	Delete: David Handler; add Mr. J. Bruce Hamilton Acting Chief, RFB/DFI Department of State Room 300, State Annex 1 Code 182, extension 3742 or 2262	
19	State	Delete: David Handler Add: J. Bruce Hamilton (address given above)	
19	Army	Add: Margaret C. Tobin (Alternate)	
24	State	Delete: David Handler Add: J. Bruce Hamilton (address given above)	
29	CIA	Delete: [REDACTED] Add: [REDACTED] Room 2427 M Building, ext. 3861	25X1A9a 25X1A9a
29	Army	Add: Mr. Josiah M. Towne Tech Division, OACSI Department of the Army Room 2D466, The Pentagon	Code 11 x 74321
32	CIA	Delete: [REDACTED] Delete the word "alternate" after [REDACTED] name.	25X1A9a 25X1A9a



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Membership Changes (contd)

<u>Page</u>	<u>Agency</u>	<u>Change</u>
39	CIA	Change Capt. Sexton's extension to 4233
39	Army	Delete Josiah Towne Add: Dorothy E. Runge      Code 11 Technical Division, OACSI      x 74738 Department of the Army Room 2B515, The Pentagon